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Diana T Fritz 06/05/2007 10:37:09 AM From DB/Inbox: Search Results

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SIPDIS
TELEGRAM

February 05, 2003

To: No Action Addressee
Action: Unknown
From: AMEMBASSY ABU DHABI (ABU DHABI 607 - ROUTINE)
TAGS: ETTTC
Captions: None
Subject: ON-SITE VISIT TO INTERGULF/EMPOL LTD, SHARJAH, UAE
Ref: None

UNCLAS ABU DHABI 00607

SIPDIS
CXABU:
ACTION: ECON
INFO: POL P/M AMB DCM
Laser1:
INFO: FCS

DISSEMINATION: ECON
CHARGE: FCS

APPROVED: FCS: NCHARLES-PARKER
DRAFTED: FCS: MEOBRIEN
CLEARED: ECON: CMARTIN-CRUMPLER

VZCZCADI604
RR RUCPDO RUEHC RUEHDI
DE RUEHAD #0607 0360636
ZNR UUUUU ZZH
R 050636Z FEB 03
FM AMEMBASSY ABU DHABI
TO RUCPDO/USDOC WASHDC
INFO RUEHC/SECSTATE WASHDC 8253
RUEHDI/AMCONSUL DUBAI 2773

UNCLAS ABU DHABI 000607

SIPDIS

SECSTATE FOR NEA/ENA
AMCONSUL DUBAI FOR PCO JOHN LANCIA
USDOC FOR 3131 ITA/OIO/ANESA
USDOC FOR 532 BIS/OEE FOR WAFO/JBANKINS
USDOC FOR 532 BIS/OEE FOR INTELL DIV

E.O. 12958:N/A
TAGS: [ETTC](#) [TC](#)
SUBJECT: ON-SITE VISIT TO INTERGULF/EMPOL LTD, SHARJAH, UAE

¶1. On January 28, 2003, Commercial Officer Mary O'Brien met with Srinivasan Kartikeya and Adeeb Yawar of Intergulf, Ltd., Sharjah, UAE, regarding the shipment of a single spindle gun drill. Intergulf had previously reported to Comoff O'Brien that this shipment had been stopped in the U.S. at the request of U.S. authorities, i.e., the Office of Export Enforcement (OEE).

¶2. Intergulf's premises are located on the premises of Port Khalid in Sharjah. A Gate Pass authorized by Intergulf (and 5 AED, or 1.35 USD) was required for Comoff to enter the

port. Intergulf is a subsidiary of IFFCO, a UAE company established in 1975 and heavily involved in food processing and packaging, personal care and cleaning products, industrial products and logistical services. Intergulf occupies two large buildings on the port. Intergulf itself has three divisions, two for the production of PET plastic containers and PVC for industrial use and a third for logistics and shipping.

13. At the port and in a very clean and modern facility, Intergulf/Empol manufactures plastic forms for liquid containers. These forms resemble large test tubes and are later blown out to form plastic water bottles, soft drink bottles and bottles for vegetable oils. During this process, molten plastic is molded around hollow metal tubes that are filled with chilled water to speed the cooling and forming process. One line has tubes that are about the size and shape of a hair curling iron. The molding machines are initially supplied with molds, but in the course of the manufacturing process, they may break or become damaged. If this occurs, Mr. Yawar said Intergulf/Empol has a machining shop where they can make new molds or repair damaged ones. Comoff viewed the machine shop where molds are made from solid steel rods, using CNC machine tools (2- and 3-axis). The molds must be hollowed out to accommodate the water for cooling. Mr. Yawar explained that this is why the gun drill is required, specifically to hollow out rods that are approximately 1 to 1 1/2" in diameter. During the visit to the machine shop Comoff saw other molds that had been hollowed out and Mr. Kartikeya said the machines they currently use are not suitable for the smaller molds.

14. Comoff O'Brien explained to Mssrs. Yawar and Kartikeya that an export license was required and since none of the U.S. parties were willing to apply for the license, Intergulf's only other recourse would be to retain a party in the U.S. to apply for the license on behalf of Intergulf. They explained that the seller had agreed to refund the money to Intergulf and they might have to agree to that if they could find no one who would apply for the license for them. Comoff O'Brien also explained that in the event of future such purchases, Intergulf might want to clarify with their supplier who would have the responsibility for getting any needed export license before payment is made. Mssrs. Yawar and Kartikeya agreed to the conduct of a post-shipment verification if the export of this or any similar machine is authorized by an export license.

15. Comment: While Intergulf/Empol is a legitimate company with a legitimate, if perhaps occasional, need for metal drilling and boring machinery, Comoff has no way of knowing whether the machine in question would be appropriate for such an end use. In addition, Intergulf's logistics and shipping activities at its portside location could make it easy for such an item to be shipped from the UAE to another destination.

16. On February 3, Comoff O'Brien received a telephone call from Carolyn Stern of Direct Container Line (DCL). DCL was the non-vessel owner common carrier originally contracted to ship the machine. Ms. Stern said she had received an email from her agent in the UAE stating the US Embassy had approved this export using 'DCL's export license'. Comoff emphasized that no such approval had been given and reiterated that only the Office of Export Enforcement could release the shipment. Ms. Stern stated the machine is not in her custody and is still at the premises of the exporter in Cincinnati.

17. Please advise if BIS/OEE requires any additional information regarding Intergulf.

WILLIAMS